

Message Text

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TO SECSTATE WASHDC 2391

INFO AMEMBASSY ATHENS

AMEMBASSY LONDON

AMEMBASSY NICOSIA

AMCONSUL ADANA

AMCONSUL ISTANBUL

AMCONSUL IZMIR

USMISSION USNATO

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CINCUSAFE

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C O N F I D E N T I A L SECTION 1 OF 2 ANKARA 1090

E.O. 11652: GDS

TAGS: PINT, PFOR, TU

SUBJ: THE DEMIREL GOVERNMENT: THE NEXT CHALLENGES

1. THE CURRENTLY FORESEEABLE CHALLENGES TO THE DEMIREL
GOVERNMENT'S SURVIVABILITY ARE: (A) AN OPPOSITION EFFORT TO

DEFEAT THE GOVERNMENT ON THE BUDGET VOTE LATER THIS MONTH;
(B) MOTIONS FOR PARLIAMENTARY INQUIRIES INTO GOVERNMENT
MISCONDUCT, STARTING IN MARCH; AND (C) THE PRESSURES OF
THE CIVIL VIOLENCE ISSUE AND ECONOMIC DECLINE. THESE
CHALLENGES ARE DISCUSSED BELOW.

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2. THE BUDGET VOTE:

A. OVER THE PAST MONTH, THE OPPOSITION REPUBLICAN PEOPLE'S PARTY (RPP) HAS MADE CLEAR THAT ITS EFFORTS TO BRING DOWN THE GOVERNMENT WILL FOCUS ON THE BUDGET VOTE IN THE NATIONAL ASSEMBLY THIS MONTH. THIS VOTE OFFERS THE BEST TACTICAL OPPORTUNITY SINCE ONLY A MAJORITY OF THOSE PRESENT AND VOTING IS REQUIRED TO DEFEAT THE GOVERNMENT AND PARLIAMENTARY "TRADITION" HOLDS THAT THE GOVERNMENT IN POWER WILL RESIGN, EVEN IF THE OPPOSITION DOES NOT OBTAIN A MAJORITY OF THE PLENARY (226 VOTES) WHICH MANDATES A RESIGNATION. HOWEVER, ON ONLY TWO OCCASIONS HAS A GOVERNMENT LOST A BUDGET VOTE.

B. THE PARLIAMENTARY BUDGET PROCEDURE BRIEFLY IS AS FOLLOWS: THE JOINT BUDGET COMMITTEE HAS ALREADY APPROVED THE LINE ITEM BUDGET; THE SENATE APPROVED THE OVERALL BUDGET ON FEBRUARY 2 AND HAS A MAXIMUM OF 10 DAYS TO APPROVE INDIVIDUAL LINE ITEMS; AFTER THE FINAL SENATE VOTE (EITHER PASS OR FAIL), THE BILL WILL BE SENT TO THE NATIONAL ASSEMBLY, WHERE PROBABLY ON FEBRUARY 12 OR 13 IT WILL FACE THE FIRST CRUCIAL VOTE. AT THAT TIME, THE ASSEMBLY WILL VOTE ON APPROVING THE BUDGET AS A WHOLE AND ACCEPTING IT FOR CONSIDERATION OF THE INDIVIDUAL LINE ITEMS. IT IS ANTICIPATED THAT THE RPP-LED OPPOSITION WILL MAKE ITS PRINCIPAL EFFORT TO DEFEAT THE BILL AT THIS POINT. SHOULD THE ATTEMPT NOT SUCCEED, A SECOND AND FINAL OPPORTUNITY WILL OCCUR WHEN THE COMPLETED BILL, WITH APPROVED LINE ITEMS, IS VOTED ON, NO LATER THAN MARCH 1.

C. THE RPP FACES AN UPHILL STRUGGLE TO SUCCEED IN DEFEATING THE BUDGET. OVER THE PAST TWO WEEKS, THE CONFIDENCE IN VICTORY EXPRESSED BY RPP LEADERS HAS DWINDLED AND WE HAVE BEEN TOLD PRIVATELY THAT THE PARTY NO LONGER HAS HIGH EXPECTATIONS OF SUCCESS. FROM THE GOVERNMENT SIDE, WE HAVE BEEN TOLD THAT THE BUDGET BILL SHOULD PASS BY AS MANY AS 12 VOTES. PARLIAMENTARY ARITHMETIC REVEALS THE DIFFICULTIES WHICH THE RPP FACES: COMBINED RPP AND DEMOCRATIC PARTY (DP) STRENGTH IS 213 SEATS VERSUS 221 FOR THE NATIONALIST FRONT COALITION. THE MARGIN OF VICTORY RESTS WITH SOME 13 INDEPENDENTS, MEHMET ALI ARSAN, HAS ANNOUNCED HE WILL NOW OPPOSE DEMIREL, BUT IT CONFIDENTIAL

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IS UNCERTAIN HOW MANY, IF ANY, WILL FOLLOW ARSAN INTO THE OPPOSITION CAMP. OTHER EFFORTS TO LURE DEPUTIES FROM ONE SIDE TO ANOTHER ARE UNDER WAY.

3. PARLIAMENTARY INQUIRIES:

A. SHOULD DEMIREL WIN APPROVAL OF HIS BUDGET, THE RPP APPARENTLY INTENDS TO CONCENTRATE ITS NEXT PARLIAMENTARY

EFFORT ON INQUIRIES INTO CHARGES OF CORRUPTION AND FAVORITISM ON THE PART OF THE GOVERNMENT. THE RPP PREVIOUSLY HAD FILED SEVERAL INTERPELLATION MOTIONS AGAINST DEMIREL CABINET MINISTERS, BUT, APPARENTLY REALIZING THE UNLIKELIHOOD OF OBTAINING THE REQUIRED 226 VOTES, SUBSEQUENTLY WITHDREW THEM IN FAVOR OF MOTIONS FOR "PARLIAMENTARY INQUIRIES" INTO THE ALLEGED MISCONDUCT OF GOVERNMENT MINISTERS. THE INITIAL TARGETS ARE:

--- MINCOMMERCE BASOL, MINFINANCE ERGENEKON, AND PRIMIN DEMIREL FOR IMPEDING THE INVESTIGATION OF ALLEGEDLY IMPROPER TAX REBATES GIVEN TO DEMIREL'S NEPHEW, YAHYA DEMIREL;

--- MINENERGY KILIC, FOR ALLEGED COLLUSION WITH FOREIGN OIL COMPANIES TO SET A HIGH PRICE FOR IMPORTED CRUDE OIL;

--- MINEDUCATION ERDEM FOR THE ALLEGED IMPROPER TRANSFER OF "LEFTIST" TEACHERS AND THE ILLEGAL EXPULSION OF STUDENTS; AND

--- AGAINST DEMIREL AGAIN FOR VIOLATING THE CONSTITUTION BY IGNORING THE COUNCIL OF STATE RULING THAT ECEVIT-APPOINTED TURKISH RADIO AND TELEVISION DIRECTOR CEM HAD BEEN IMPROPERLY REMOVED FROM OFFICE.

B. THE RPP IS ALSO PREPARING A NUMBER OF INQUIRIES INTO ALLEGED DOMESTIC SECURITY IRREGULARITIES BY THE MINISTERS OF JUSTICE AND INTERIOR.

C. THE COMMITTEES WHICH WILL CONDUCT THESE INQUIRIES, IF APPROVED BY PARLIAMENT, ARE NOT LIKELY TO BE FORMED UNTIL
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THE MIDDLE OF MARCH, AND IT IS UNCLEAR WHEN THEIR REPORTS WOULD BE FORTHCOMING. HOWEVER, BY THE CHANGE IN STRATEGY FROM INTERPELLATION MOTIONS TO PARLIAMENTARY INQUIRIES, ECEVIT AND THE RPP HOPE TO PICK UP A FEW ADDITIONAL VOTES FROM WITHIN THE GOVERNMENT COALITION ON ISSUES WHICH ARE SUBJECTS OF DISSENSION WITHIN THE COALITION. AT A MAXIMUM THE INQUIRIES, IF SUCCESSFUL IN DEMONSTRATING WRONGDOING, COULD THEORETICALLY CAUSE DEMIREL TO RESIGN. IT SEEMS MORE LIKELY, HOWEVER, THAT THE INQUIRIES WILL PROVIDE SIMPLY ANOTHER DISTRACTION FROM THE GOVERNMENT'S BUSINESS.

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4. CIVIL VIOLENCE:

A. THE DEMIREL GOVERNMENT HAS NOT YET MANAGED TO
COPE WITH THE INCREASED LEVEL OF CIVIL VIOLENCE, AND AS A RESULT
HAS BEEN HEAVILY ATTACKED. IN THE PAST THREE WEEKS, SECURITY
FORCES HAVE TAKEN A MORE AGGRESSIVE APPROACH TO COMBATTING
TERRORISM AND SEVERAL ALLEGED TERRORISTS HAVE DIED WHILE
BEING APPREHENDED. THESE DEATHS PROMPTED OUTBURSTS FROM
THE MINUSCULE LEFTIST TURKISH UNITY PARTY AND THE SOCIALIST
PARTY THAT THE GOVERNMENT WAS MORE INTERESTED IN SHOOTING
THAN IN BRINGING THE ACCUSED TO TRIAL. SO FAR, THE RPP HAS NOT
PICKED UP THIS THEME, BUT IF SIMILAR INSTANCES CONTINUE, IT
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WILL LIKELY ADOPT IT SINCE IT TIES IN WITH THE RPP'S ONGOING EFFORTS TO PORTRAY THE DEMIREL GOVERNMENT AS "GANGSTERS". THE RPP IS ALSO ATTEMPTING TO CREATE DIVISION WITHIN THE GOVERNMENT OVER THE VIOLENCE ISSUE BY INCREASINGLY FOCUSING ITS CRITICISM ON NATIONALIST ACTION PARTY CHAIRMAN TURKES AND HIS YOUTH ORGANIZATIONS AS THE PRINCIPAL PERPETRATORS OF VIOLENCE. THIS POLICY HAS APPARENTLY MET WITH SOME SUCCESS AS BOTH REPUBLICAN RELIANCE (RR) AND NATIONAL SAVLATION PARTY (NSP) OFFICIALS RECENTLY HAVE CONDEMNED VIOLENCE FROM BOTH THE LEFT AND RIGHT.

B. FINALLY, VIOLENCE REMAINS AS THE ISSUE MOST LIKELY TO PROVOKE MILITARY INTERVENTION. THE GOVERNMENT FEARS MILITARY INTERVENTION, BUT APPARENTLY WOULD LIKE MILITARY CO-OPERATION IN DECLARING MARTIAL LAW; HOWEVER, THE MILITARY HAS SO FAR REMAINED OPPOSED. THE RPP-DP OPPOSITION REJECTS ANY FORM OF MILITARY INTERVENTION. THE MILITARY ITSELF IS APPARENTLY NOT EAGER TO BECOME INVOLVED AS IT DID IN 1971, BUT NEITHER IS IT EXPECTED TO TOLERATE UNCHECKED VIOLENCE. PRESS REPORTS THAT THE MILITARY HAD GIVEN A NOTE TO DEMIREL IN DECEMBER WHICH, AMONG OTHER ITEMS, URGED STRONG GOVERNMENT ACTION TO CONTROL STUDENT VIOLENCE, WERE NOT DENIED BY THE TURKISH GENERAL STAFF (TGS).

5. THE ECONOMY:

A. TURKEY'S ECONOMY FACES SERIOUS DIFFICULTIES AND DEMIREL WILL BE UNDER INCREASING PUBLIC AND POLITICAL PRESSURE TO DO SOMETHING ABOUT IT. ALTHOUGH IT CANNOT BE REASONBLY ARGUED THAT DEMIREL GOVERNMENT PROGRAMS ARE THE REASON FOR THE ECONOMIC DECLINE, A FUNDAMENTAL LAW OF POLITICS IS THAT DEMIREL WILL BE HELD ACCOUNTABLE. THE DEMIREL GOVERNMENT HAS STAKED OUT AN AMBITIOUS ECONOMIC PROGRAM. ON THE ONE HAND, THE PROGRAM STATES THAT THE GOVERNMENT WILL PREVENT ANY INCREASE IN COMMODITY COSTS, DECREASE THE RATE OF INFLATION, AND NEITHER LEVY NEW TAXES NOR INCREASE PRESENT ONES; YET ON THE OTHER, IT CALLS FOR A 50 PERCENT INCREASE IN INVESTMENTS, THE ESTABLISHMENT OF A NATIONAL DEFENSE INDUSTRY AND CONSTRUCTION OF 26 MAJOR INDUSTRIAL PROJECTS, INCLUDING A FOURTH STEEL MILL ("1976 IS TO BE THE YEAR OF HEAVY INDUSTRY", SAID DEMIREL). FURTHER, IT PROMISES A DRAMATIC EXPANSION OF SOCIAL SECURITY

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AND HEALTH INSURANCE COVERAGES, THE ESTABLISHMENT OF PENSIONS FOR OVERSEAS WORKERS, AND NEW SERVICES FOR VILLAGERS.

B. THE RPP DOES NOT BELIEVE DEMIREL WILL SUCCEED IN TURNING AROUND THE ECONOMY AND CONSEQUENTLY COULD BE INCLINED TO RESIGN AND CALL FOR ELECTIONS THIS SPRING BEFORE HE IS

SADDLED BY AN EVEN BLEAKER ECONOMIC SITUATION.

C. THE GOVERNMENT ACKNOWLEDGES THAT SOME ASPECTS OF THE ECONOMIC PICTURE, ESPECIALLY THE WORSENING BALANCE OF PAYMENTS DEFICIT, ARE WEAK, BUT POINTS TO A POSITIVE REAL GROWTH RATE IN THE ECONOMY AND A DECREASED (ALTHOUGH STILL SHARP) RATE OF INFLATION.

6. COMMENT: DEMIREL FACES POLITICAL RIVALS WHO ARE WORKING TO SPLIT HIS COALITION AND TO DESTROY HIS CREDIBILITY AS A PUBLIC LEADER. HOWEVER, DEMIREL, AS HE HIMSELF PROCLAIMS, IS A "FIGHTER", AND WE BELIEVE HE STANDS A FIGHTING CHANCE OF SURVIVING AND POSSIBLY EMERGING STRENGTHENED. MEANWHILE, THE DOMESTIC CHALLENGES HE CONFRONTS ARE IN THEMSELVES A LIMITING FACTOR AS REGARDS HIS FREEDOM TO CONDUCT FOREIGN POLICY. IN HANDLING CYPRUS AND U.S.-TURKISH SECURITY NEGOTIATIONS, DEMIREL NEEDS RESULTS THAT WILL HELP HIM AT HOME; HE CAN HARDLY AFFORD TO MAKE HIMSELF VULNERABLE TO ATTACKS FOR SELLING OUT TURKISH INTERESTS. NOW EVEN MORE THAN PREVIOUSLY, DEMIREL'S PROBLEM OF THE POLITICAL IMAGE THAT A GIVEN SETTLEMENT WOULD PRESENT SHOULD BE KEPT IN MIND WHEN FORMULATING PROPOSALS FOR HIS CONSIDERATION.
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